

Southwest Arkansas Telephone Cooperative, Inc.**Response to Lines 600-610 - Ability to Function in Emergency Situations**

Southwest Arkansas Telephone Cooperative, Inc. ("Company") hereby certifies that it is able to function in emergency situations as set forth in the Code of Federal Regulations, Title 47, Part 54, Subpart C, §54.202(a)(2)¹, the Arkansas Public Service Commission Telecommunication Provider Rules, and the Texas Administrative Code. The Company's network is designed to remain functional in emergency situations without an external power source, is able to reroute traffic around damaged facilities, and is capable of managing traffic spikes resulting from emergency situations as required by Section 54.202(a)(2). The Company can change call routing translations as needed to reroute traffic around damaged facilities. Changing call routing translations also allows the Company to manage traffic spikes throughout its network, as emergency situations require.

Specifically, the Company is able to function under emergency operations in accordance with Arkansas Service Commission Telecommunication Rules §8 *General Service Standards*, §10 *Maintenance*, and §11 *Quality Standards* which include obligations for continuity of service and emergency operations planning and service provision capability for dominant carriers. Any central office without a permanently installed emergency power system shall be wired to permit connection of a mobile emergency power unit, and there shall be a mobile emergency power unit available for connection on short notice with minimum travel time. Furthermore in section 11.06.B, each central office shall be equipped with a battery reserve sufficient to sustain

¹ Section 54.202(a)(2) requires ETCs that are designated by the Commission to "demonstrate its ability to remain functional in emergency situations, including a demonstration that it has a reasonable amount of back-up power to ensure functionality without an external power source, is able to reroute traffic around damaged facilities, and is capable of managing traffic spikes resulting from emergency situations."

operation until emergency power can be connected. In Texas, the Company functions under emergency operations in accordance with Public Utility Commission of Texas Substantive Rules §26.51 *Reliability of Operations of Telecommunications Providers* and §26.52 *Emergency Operations* which include obligations for continuity of service and emergency operations planning and service provision capability for dominant carriers. Any central office not equipped with permanently installed standby generators contains as a minimum four hours of battery reserve without voltage falling below the level required for proper operation of all equipment. In addition, all central offices without installed emergency power facilities have a mobile power unit available which can be delivered and connected on short notice.

Furthermore, Southwest Arkansas Telephone Cooperative, Inc. hereby certifies it will apply the same standards as they relate to the ability to function in emergency situations that it currently applies to Voice service to Broadband services also, as is applicable to 47CFR 54.313.(a)(6)

Southwest Arkansas Telephone Cooperative, Inc.

Response to Lines 1000 - Voice Service Rate Comparability

Southwest Arkansas Telephone Cooperative, Inc. ("Company") hereby certifies it does not provide voice rates that are above two standard deviations above the national average urban rate, as set forth in the Code of Federal Regulations, Title 47, Part 54, Subpart C, §54.313(a)(10). Company determined this by comparing its rates to the National Average Urban Rate, which was recently released by the FCC. The rate of the Company is below the National Average Urban Rate and therefore the 2 standard deviations calculation does not apply.

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2015 Progress Report

For Southwest Arkansas Telephone Cooperative, Inc.

401724

In its USF / ICC Transformation Order and subsequent Orders, the Federal Communications Commission ("FCC " or "Commission") requires Eligible Telecommunications Carriers ("ETCs") to submit a five-year build-out plan in a manner consistent with Section 54.202(a)(1)(ii) for the Commission's Rules by July 1, 2014 and to submit annual progress reports thereafter. Section 54.202(a)(1)(ii) states in part that ETCs are to submit a five-year plan that describes with specificity proposed improvements or upgrades to the ETC's network throughout its proposed service area. Each ETC shall estimate the area and population that will be served as a result of the improvements.

In its March 5, 2013 Order, the FCC specified that for rate-of-return carriers, the five-year plans "should describe the carrier's network improvement plan, which should provide greater visibility into current plans to extend broadband service to unserved locations in rate-of-return service territories". Southwest Arkansas Telephone Cooperative, Inc. ("SWAT") is a rate-of-return carrier ETC and submitted its five-year network improvement plan in the 2015 submission, which was filed in June 2014. SWAT now submits its first Progress report in this, 2016 submission.

This progress report will focus on the activities that have transpired to-date in funding year 2015 as well as activities which are planned to transpire during the remainder of 2015. As a point of reference and for historical purposes, SWAT will include the original 5-year plan filed in the 2015 Submission.

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Estimated Federal Support for 2015 – (114)

Per the Universal Service Administration Corporation's (USAC) Third Quarter 2015 projected support, SWAT estimates their support funds in the following manner:



Summary of 2015 Progress – (115), (116), (117)



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Explanation of network improvement targets not met – (118)



Map detailing its progress toward meeting its plan targets – (113)



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HISTORICAL 5 YEAR PLAN SUMMITED IN THE 2015 SUBMISSION

- I. The Challenges Faced by the Cooperative in Providing Voice and Broadband to its Rural Service Area**
- A. Description of the Company and its Service Area**



- B. The Exchanges Contained Within the Company's Study Area**



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Section 254(e) of the Communications Act of 1934, as amended requires ETCs to use Universal Service Support ("USF") only for the provision, maintenance, and upgrading of facilities and services for which the support is intended. Pursuant to Section 54.314 of the FCC's rules, in order for state-designated ETCs to receive USF for the coming year, states must annually file certifications by October 1 stating that all federal high-cost support provided to such carriers within the state "was used in the preceding calendar year and will be used in the coming calendar year only for the provision, maintenance, and upgrading of facilities and services for which the support is intended." ETCs not designated by the state must file similar certifications with the FCC.

In its USF/ICC Transformation Order, the FCC clarified that prior to making the Section 254(e) certifications, states should conduct a "rigorous examination of the factual information" contained in the annual Section 54.313 reports, of which the five year network improvement plan and annual progress reports are a part, in determining whether they can certify that carriers' support has been used and will be used only for the purpose for which the support was intended. The FCC said that it would also use the reports to verify certifications filed by ETCs that are not state-designated. In this context, the Commission stated, "in light of the public interest obligations we adopt in this Order, a key component of the Section 254(e) certification will now be that support is being used to maintain and extend modern networks capable of providing voice and broadband service.

Essentially, under the existing rules and processes, the federal USF received by the Company and other incumbent rural telephone companies are, in fact, an integral part of the recovery of expenditures of rural incumbent local exchange carriers incurred in the provision, maintenance and upgrading of their provision of facilities and services for which the USF is intended. Southwest Arkansas Telephone Cooperative, Inc. depends upon its receipt and utilization of federal

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universal service support to provide rural telephone customers with affordable and quality voice and broadband services.

Accordingly, given the critical role the network improvement plan and the progress reports will have in the annual Section 254(e) certification process, Southwest Arkansas Telephone Cooperative, Inc.'s plan and progress reports will demonstrate not only how SWAT has used and will use USF not only for improvements and upgrades, but also for the provision and maintenance of the facilities and services to which the support was intended.

III. The Company's Five-Year Network Improvement Plan

When the Commission adopted its five-year plan requirements for FCC designated ETCs in its 2005 ETC Order, it set forth the following criteria as to how the ETC is

to describe with "specificity" the proposed improvements or upgrades to the ETC's network throughout its service area:

- (1) how signal quality, coverage, or capacity will improve due to the receipt of high-cost support throughout the area for which the ETC seeks designation; (2) the projected start date and completion date for each improvement and the estimated amount of investment for each project that is funded by high-cost support; (3) the specific geographic areas where the improvements will be made; and (4) the estimated population that will be served as a result of the improvements.

In that order, the FCC clarified that service quality improvements in the five-year plan "do not necessarily require additional construction of network facilities." Accordingly, the improvements listed in the plan may be projects related to the expansion of the network (one or multiple service), projects related to updating technology to accommodate new services or higher bandwidth or maintenance projects, such as to reduce trouble reports and replace outdated equipment.

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Additionally, in some cases, the projects may be ones that improve or upgrade the entire network rather than discrete areas within a study area or they may be ones that are ongoing projects that have no specific start and completion dates.

The instructions to the Form 481 state "recipients may describe where improvements are expected to occur by wire center or census block, as appropriate. To the extent no improvements are planned in specific areas, the five-year plan should so indicate." The instructions also require that in subsequent annual progress reports which must include the total amount of universal support received must provide this information "broken out separately by the amount spent on capital expenses and the amount spent on operating expenses."

Accordingly, the Company's five-year plan separately provides both capital expenditures and operating expenses.

A. The Company's Major Network Improvement Projects

Based upon this framework, Appendix A reflects Southwest Arkansas Telephone Cooperative, Inc.'s major network improvement projects for the five calendar years 2015 through 2019 along with the start and completion dates, capital cost, areas and population associated with those projects

B. How These Projects Will Improve the Network

Below is a detailed description of each project listed in appendix A.

Project Number 1 -



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Project Number 2 - 



Project Number 3 - 



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[REDACTED]

Project Number 4 -

[REDACTED]

[REDACTED]

Project Number 5 -

[REDACTED]

[REDACTED]

Project Number 6 -

[REDACTED]

[REDACTED]

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Project Number 7 -



Project Number 8



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Project Number 9



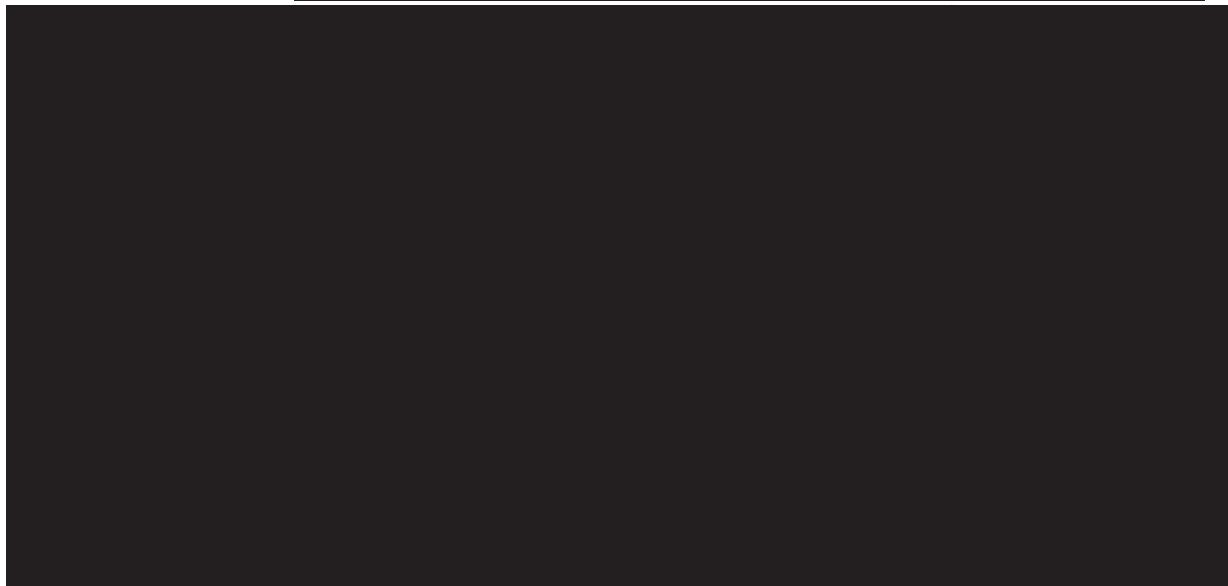
Project Number 10



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Project Number 11



Project Number 12



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Project Number 13 - [redacted]



Project Number 14 - [redacted]



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Attachment A

Southwest Arkansas Telephone Cooperative
401724
Current Progress



ARKANSAS PUBLIC SERVICE COMMISSION

Sch 24-A

Sheet No. 9

Southwest Arkansas Telephone Cooperative, Inc.
Name of Company

Schedule No.: 24

Title: LIFELINE ASSISTANCE PROGRAM

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SCHEDULE 24-A

2. LIFELINE ASSISTANCE PROGRAM

2.1 GENERAL

2.1.1 This tariff is effective on the date the new FCC rules on Lifeline become effective.

(CT)

2.1.2 The Lifeline Assistance Program (hereinafter "Lifeline") is a retail local service offering designed to make telephone service available at reduced rates to qualifying low-income customers. Lifeline provides for a federal credit equal to \$9.25. Texas customers will also be eligible for an additional credit equal to \$3.50.

2.1.3 The discounts apply to monthly recurring rates for qualifying residential customers.

2.1.4 Discounts are applied to rates and charges for residential telephone service.

2.1.5 The Lifeline Program rate reductions do not apply to long distance service, class services, special features, and other ancillary services which may or may not be tariffed. Eligible customers may obtain these services, where available, at their discretion.

2.1.6 The Lifeline Program rate reductions do not apply to service connections charges.

ARKANSAS PUBLIC SERVICE COMMISSION

Sch 24-A

Sheet No. 10

Southwest Arkansas Telephone Cooperative, Inc.
Name of Company

Schedule No.: 24

Title: LIFELINE ASSISTANCE PROGRAM

ARK. PUBLIC SERV. COMM

SECRETARY OF COMM.

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SCHEDULE 24-A

(RT)

2.1.7 (Reserved for future use)

2.1.8 This ETC will implement all special disconnect procedures required for Lifeline customers.

2.1.9 This ETC shall not charge Lifeline customers with a monthly Number-Portability charge.

2.1.10 This ETC shall offer toll blocking to all qualifying applicants at the time such consumers subscribe to Lifeline service. If the consumer elects to receive toll blocking, that service shall become part of that consumer's Lifeline service. The customer is under no obligation to accept the subscription to toll blocking.

2.1.11 This ETC shall not collect a service deposit in order to initiate Lifeline service, if the qualifying consumer voluntarily elects toll blocking, where available, otherwise, this ETC may charge a service deposit in the ordinary course of business.

2.2 DESIGNATED LIFELINE PROGRAM SERVICE

2.2.1 General

2.2.1.1 Certain telephone services are specifically part of Lifeline service. Other services are optional. This ETC has a specific Lifeline offering.

ARKANSAS PUBLIC SERVICE COMMISSION

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Sch 24-A

Sheet No. 11

SECRETARY OF COMM.

Southwest Arkansas Telephone Cooperative, Inc.
Name of Company

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Schedule No.: 24

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Title: LIFELINE ASSISTANCE PROGRAM

SCHEDULE 24-A

(CT)

- 2.2.2 This ETC shall offer services or functionalities defined, by F.C.C. 47 CFR Part 54, to be voice telephony service. This service enables consumers to communicate with others that live nearby, while having access to all distance communications.

2.3 REGULATIONS

- 2.3.1 All the telecommunications provider rules and general tariffs of this company apply to lifeline service unless specifically in conflict with this Section and schedule
- 2.3.2 Lifeline Service is available only with residence services, excluding foreign exchange service.

(CT)

- 2.3.3 Lifeline Service is limited to one line per household at the customer's primary residence. "Household" is defined consistent with the Low-Income Home Energy Assistance Program as "any individual or group of individuals who are living together at the same address as one economic unit," with an "economic unit" defined as "all adult individuals contributing to and sharing in the income and expenses of a household." Lifeline support to individuals living in group living facilities must demonstrate when initially enrolling in the program that any other lifeline recipients residing at their residential address are part of a separate household.